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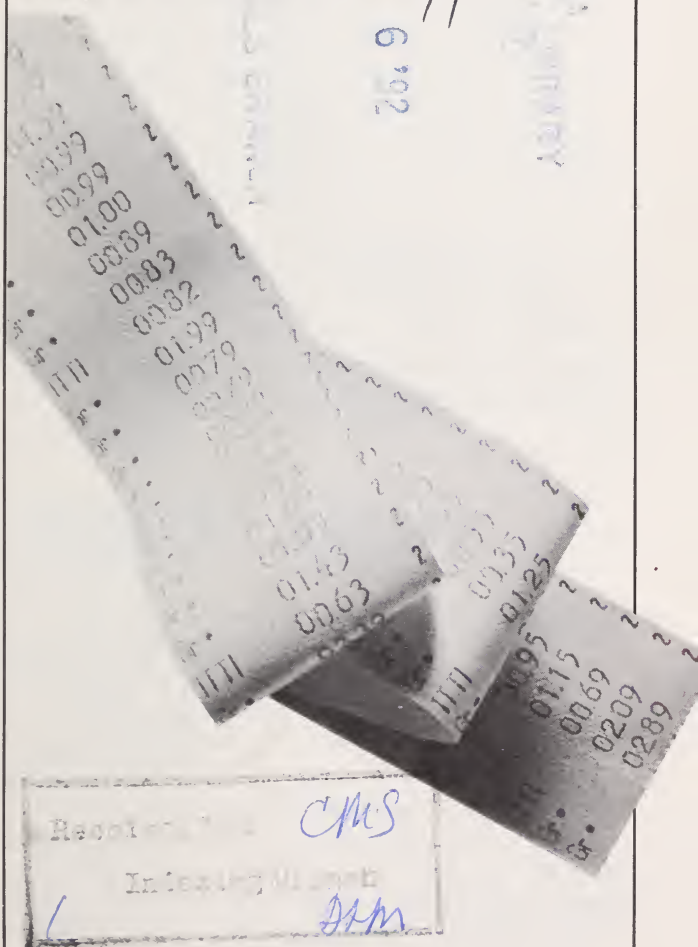
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Food Stamp Program

A GUIDE FOR RETAILERS



United States Department of Agriculture
Food and Nutrition Service
Program Aid No. 1221

Revised September 1983

The Food Stamp Program is available to all eligible persons regardless of race, color, creed, sex, national origin, age, political beliefs, or handicap.



Food Stamps Help

The Food Stamp Program is administered by the U.S. Department of Agriculture's Food and Nutrition Service (FNS). Food stamps are issued to households certified by State public assistance agencies to be in need of food assistance. The program helps these households buy more food of greater variety so that they have better diets. In this way, it helps improve the health of the Nation's lowest income families. By increasing the food-buying power of these families, the program also benefits local communities and increases retail food sales.

Participating retail food stores are a very important part of the Food Stamp Program. This booklet explains the program rules for retail stores. Your cooperation in following these rules can help make the Food Stamp Program a success in your community.

How to Apply

If you wish to be part of this program, you may get an application by calling or writing the local FNS field office.

When you receive the application, answer all of the questions and check the items that apply to your business. Keep in mind that false answers or incomplete applications may result in denial or withdrawal of approval to participate. Complete and sign the application and return it to the FNS field office. You may be asked to visit the office for a personal interview or you may be visited by a food stamp representative before you are authorized. No firm may be authorized simultaneously as a retailer and a wholesaler.



Authorization

All authorized firms will be issued a Food Stamp Authorization Card. Keep it in the store. When you redeem food stamps, you should take your authorization card with you. Your authorization is nontransferable. If there is any change in the ownership of your firm or if you move or close your store, your authorization card is void and must be returned to your local FNS field office. The card is pre-stamped and preaddressed for mailing.

Firms cannot accept food stamps before receiving the authorization card, or after it is withdrawn or surrendered. The Food and Nutrition Service will periodically ask you to update the gross and food sales volume listed on your application for authorization.

Eligible Foods

Households can use food stamps to buy the following:

- Any food or food product for human consumption.
- Seeds and plants for use in a home garden to produce food.

Households cannot use food stamps to buy:

- Alcoholic beverages and tobacco.
- Hot foods ready to eat, and foods intended to be heated in the store.
- Lunch counter items or foods to be eaten in the store.
- Vitamins or medicines.
- Pet foods.
- Any nonfood items (except seeds and plants).

Households cannot exchange food stamps for cash.

You must inform clerks of these rules. It is vitally important that only eligible foods be sold for food stamps. If your store accepts food stamps for nonfood items, it will violate the law and be subject to penalties. Remember, the purpose of the program is to help low-income families buy the food they need for a healthy diet.

Identify Food Stamp Customers

Food stamp customers have been advised to tell cashiers they are using food stamps when they reach the checkout counter. Many stores find that it is helpful to place a sign or poster at the checkout counter reminding food stamp customers to identify themselves.

It is not necessary to ask the customer to present a Food Stamp Identification Card before every purchase. However, if you have any reason to believe that a customer presenting stamps has no right to have them, you should ask the customer to show an identification card.

Separate Eligible Foods

Food stamp customers have been advised to separate eligible food items from the rest of the order to make it easier for you to total the stamp and cash amounts and to speed up the checkout time. On occasion it may be necessary for you or your cashiers to help customers separate eligible from ineligible items before ringing up the sale. Here again, many stores find that



it is helpful to place a sign or poster at the checkout counter reminding food stamp customers to separate their ineligible items for cash payment.

Sales Tax

Food stamps may be accepted for payment of the sales tax on eligible foods purchased with stamps in States where a sales tax is charged on food. There are a few States that have exempted food purchased with food stamps from sales tax.

Handling "Cents-Off" Coupons

If your store accepts manufacturers' "cents-off" coupons from cash customers as a discount on food items, it must honor these coupons when presented by food stamp customers.

Food Stamp Payment

Food stamps come in three denominations: brown \$1-stamps, purple \$5-stamps, and blue-green \$10-stamps. The purple \$5-stamps and blue-green \$10-stamps, whether loose or still attached to the food stamp book, must be presented with the food stamp book cover which bears the same serial number as the individual stamps. Because brown \$1-stamps are given to food stamp customers as change, they may be accepted loose without the match-

ing book cover. It is the right of the customer to tear the stamps from the book.

Changemaking

For every \$1 of change due, you must give the customer a \$1-stamp that has *not* been canceled or endorsed. The \$1-stamps are the only food stamps you may give to the customer as change. Always keep an ample supply of them on hand for change purposes. Remember, cash may not be given as change in place of \$1-stamps.

When the amount of change is less than \$1, it is the food stamp customer's option to: (1) Receive cash in amounts of 99 cents or less, or (2) "Trade out" for eligible foods, or (3) Pay the store the difference in cash. No pressure should be put on the customer about this choice.

No Retention of Stamps

Food stamp books must be kept in the possession of the households to which they are issued. Under no circumstance should books with unused stamps be left with retailers.

No Credit Account Payment

Food stamps cannot be used to pay for credit or charge accounts. They must be used at the time of purchase.



Customer Relations

Food stamp customers should be treated as courteously as cash customers. If your store gives trading stamps, food stamp customers are entitled to them. Food stamp customers are not entitled to any preferential treatment.

Employee Training

Store managers should instruct all employees on how to handle food stamp transactions properly. Store managers must give this instruction before employees begin handling transactions. It is also advisable to hold periodic refresher training sessions with employees. This will minimize the chance of errors and the possibility of violations. Violations can result in the cancellation of a store's authorization to participate in the program, as well as other penalties. Your FNS field office can help you train personnel if you request this assistance.


Redeeming Food Stamps

Once you are authorized, you may redeem food stamps at any participating bank or savings and loan association, or through authorized wholesalers. Before redeeming the stamps, separate them by denomination. Endorse each stamp with the authorization number or name of the unit redeeming it. You may use an ordinary deposit endorsement stamp if the

stamp includes the name or authorization number of the store. Food stamps may be redeemed for cash or credit. When redeeming them, you must fill out the Food Stamp Redemption Certificate.

Filling Out the Redemption Certificate

USING A #2 PENCIL ONLY, fill out the Food Stamp Redemption Certificate in the following manner:

- Enter the total value of the stamps you are giving to your bank or wholesaler in the squares in the upper left portion of the certificate. In the column of boxes below each square, draw a single vertical line through the box which matches the figure you entered in the square above. Mark only one box in each column. Make sure the vertical line stays in the box, like this: 4 
- Under item (C) enter the name and address of the bank or wholesaler redeeming your stamps.
- Under item (D) have the firm representative sign the redemption certificate, including both his or her title and the date.

New supplies of certificates will automatically be sent to you. If you run out before your new supply arrives, contact your local FNS field office. Never borrow certificates from another retailer.

Revised redemption certificates are gradually being phased in across the country. Instructions for completing them are different from those above and are printed on the back of each certificate.



Do's

- Read parts 271, 278, and 279 of the Food Stamp Program Regulations carefully.
- Post the Official Food List and the Notice on Reporting Abuses.
- Instruct employees on handling food stamp transactions.
- Ask for a Food Stamp Identification Card if you have reason to believe a food stamp shopper is not eligible to use stamps.
- Accept loose \$5- and \$10-stamps only if presented with the food stamp book cover bearing the same serial number as the stamps.
- Accept stamps only for eligible items.
- Give an unendorsed \$1-stamp for every \$1 of change due.
- If change less than \$1 is due, give customer choice of receiving cash in amounts of 99 cents or less, "trading out" for eligible foods, or paying the store the difference in cash.
- Mark or stamp store name or authorization number on stamps before redemption.
- Use a #2 pencil to fill out the redemption certificate.
- Use banks to redeem stamps when possible.

Don'ts

- Don't accept stamps before authorization.
- Don't accept canceled or endorsed stamps, or stamps marked "specimen."
- Don't accept stamps for tobacco or alcoholic beverages or any nonfood items (except seeds and plants).
- Don't accept stamps for lunch counter items or foods to be eaten in the store.
- Don't accept stamps for hot foods ready to eat or any foods intended to be heated in the store.
- Don't accept stamps for vitamins or medicines.
- Don't accept stamps for pet foods.
- Don't give canceled or endorsed \$1-stamps as change.
- Don't accept stamps for payment on credit accounts.
- Don't exchange cash for stamps.
- Don't engage in a series of food stamp transactions of less than \$1 in order to give a customer more than 99 cents cash.

TIPS

- ✓ Separate eligible food from other items at checkout.
- ✓ Ask for an ID card if you think a food stamp customer may not be entitled to use food coupons.
- ✓ Give an unendorsed \$1 coupon for every \$1 of change due.
- ✓ Limit cash change to 99 cents or less.
- X Don't accept canceled or endorsed coupons, or coupons marked "specimen."
- X Don't accept loose \$5 or \$10 coupons without the coupon book cover bearing the same serial number.
- X Don't accept coupons as payment on credit accounts.